

**Study Session / Budget Update - MINUTES**  
**April 8, 2019 – 7:00 p.m. Tenth Street Library**

**Attendance:**

M. McClure, L. Ashbaugh, F. Aughenbaugh, A. DiClaudio, D. DiPietro, E. Tillman, J. Hurt-Robinson (telephone), A. Loeffler (telephone), M. DiNinno, T. Good, F. Muscante Absent: T. Schaaf  
E. Hewitt, M. Plance, C. Monroe, R. Rizzo, D. Zolkowski, N. English, A. Pater, K. Shoop, M. Harden, W. Wilton, J. Miller, G. Hoolihan, T. Abraham, C. DelRosso

Hulton Bridge Project Update – Dr. DiNinno shared that the President of the Riverview Educational Foundation was scheduled to provide an update on this topic, but informed the District that afternoon that she was unable to attend. It was shared that a grant is being provided to offset the costs of the project and it is expected to be constructed in April or May prior to any summer construction projects at the Junior Senior High School.

**2019 – 2020 Budget Discussion**

**Dr. DiNinno introduced the budget discussion sharing the following points:**

As of April 8, 2019 – There continues to be a gap between anticipated Revenues and Expenditures.

She explained that she and Ms. Good have been reviewing and assessing the situation - examining potential revenue sources and expenditure reductions. She shared that they have examined and analyzed everything.

An Early Retirement Incentive is also being explored.

- This has the potential to reduce expenditures.
- Needs to be reviewed with and discussed with the school board.

She explained that there are several important variables to keep in mind as we move forward, including:

Approximately, 80% of the Budget in school districts is around Personnel.

- This includes all who play a role in supporting the educational needs of our kids.
- Salary and Benefits of all who do jobs play a role on the educational team, so that children can attend school and learn.
- This includes teachers, paraprofessionals, administrators, custodians, secretaries, etc.
- Personnel line items are continuous since they are included in the budget being created and stay constant thereafter. A personnel line item in the budget cannot be replaced with a one-time purchased resource. The one time purchase will only offset the cost of an employee for one year.

Over the past few years, we have openly discussed our declining enrollments.

- From 1,400 to 983 students. We are in the process of working towards resizing things - (how many employees do we need?)

A gap continues between Revenue/Expenditures. This has become a trend.

Fortunately, the District has been able to continue all programming to date. Nothing has been eliminated.

MANDATES have caused and impacted this the most.

- Charter School Tuition, Transportation, Special Education, Targeted Professional Development, Society Social Needs, Contractual Obligations, PSERS
- The largest mandate impacting the budget is PSERS.
- Unfortunately, we do not and cannot generate enough local revenue to cover the mandates alone.
- In 2013-2014 Allegheny County was re-assessed and an equalized mil system was established keeping us from raising taxes.
- Taxes were raised several times in past few years: In 2014-15 and in 2017-2018.
- New revenue was generated from newly assessed values on property (particularly Edgewater), rebidding of contracts, delinquent tax collections and expenditures were reduced via staff adjustments, and other budget cuts were made throughout the past six years.
- NO programs were eliminated, and additional opportunities have even been provided to our students at times.

The State's Index and State Funding, which has flat lined and/or decreased over the years, has made it difficult to recover from this mandate impact.

She explained that we are in the process of trying to realistically resize the school district. She then reiterated that increasing mandates and flat lined or decreased funding has made this extremely challenging.

She shared that the bottom line is that we have an established trend of Expenditures increasing and Revenue decreasing.

Dr. DiNinno then shared a slide demonstrating the cost to educate one student at Riverview using only monies in the budget associated with the up to 80% portion of the budget, or the cost of all employees' salaries and benefits.

She explained that we often talk A LOT about our COST PER STUDENT.

We understand that small school districts likely have a higher cost per student in general.

But we thought it was important to *examine how much the 80% piece of our budget impacts our cost per student. That 80% is staff salary and benefits!*

1997	1,400 students	Salary/Benefits of ALL staff
2018	979 students	Salary/Benefits of ALL Staff

This has been mostly caused by mandates, especially PSERS.

Dr. DiNinno shared that the District has not been assisted in any way by state funding and new taxing rules add to the situation. Maintaining all of the programs that we want is more difficult today than it was in the past.

- 1997 Salary/Benefits cost per student = \$5,404.85
- 2018 Salary/Benefits cost per student = \$15,989.03

Dr. DiNinno explained that Ms. Good will be going into more detail in an effort to help everyone understand these variables.

She explained that after Ms. Good shares this information, we will review three different budget scenarios with everyone for the 2019-2020 school year.

Dr. DiNinno explained that a list of non-mandated items will also be shared for board consideration. She noted that these non-mandated items are not recommended at this point, but if the board does not agree with some of the variables listed in the recommended scenarios, the non-mandated items listed are options to consider.

The board can then discuss these options and make decisions regarding how much money they choose to approve for next year's budget.

Ms. Good then reviewed a Power Point presentation sharing the following points:

- The Gap between Actual Revenues & Expenditures for the last 5 school years
  - The largest increases and decreases in both expenses and revenues
  - The assessed value growth
  - Tax increases and their impact if passed or not
- The mandated programs, the index, Lower Merion Case, other factors affecting every year. Lack of State commitment to education – The Education Gap in PA and in US

Three Budget scenarios were then shared with the board. Each scenario presented was based on a different tax increase.

Scenario One: No tax increase, reduction of one administrator through attrition, reduction through reassignment of two elementary teacher positions, reduction of budgetary reserve by \$51,000.

Scenario Two: Increase taxes to half the index, reduction of one administrator through attrition, reduction through reassignment of one elementary teacher position.

Scenario Three: Increase taxes to full index, reduction of one administrator through attrition.

All scenarios presented included various line item budget reductions.

A list of other non-mandated items, including some additional personnel positions, was provided for the board to examine in the event that the board preferred to remove a line item and swap it out for something else.

The board then discussed the scenarios and the potential tax increase options.

Dr. DiNinno and Ms. Good explained that they have examined every line item and assessed extensively the educational and systemic implications of each item listed as they worked hard to create an educationally sound and realistic budget to resize things. Dr. DiNinno shared that she wanted to keep human resources as close to students in the classroom as possible, did not feel that the District would be able to culturally handle furloughs again this year, and that the third scenario was her preference. She explained that while she did not want to reduce an administrative position, she can only keep items

in the budget that the district has the ability to pay for and felt that keeping more teachers in the budget for kids was, at this point in time, the best thing for kids. She explained that reducing one administrator position allows us to hold on to several teaching positions.

The board continued to hold a discussion regarding the various budget scenarios presented.

Several board members requested that the board provide the administration with a dollar amount so that the administration knew how much they had to work with so that a budget could be created.

Several board members indicated that they did not feel comfortable with not replacing one of the administrators.

A discussion occurred around giving the administration a dollar amount that a budget could be worked around and some direction on the administrative position as to whether to keep that position in the budget or to take it out of the budget.

The board also asked which scenario the administration felt was needed to educate kids without focusing on the amount of money that the board would agree to give the administration to work with for building the budget. Dr. DiNinno indicated that scenario three provided that information.

Dr. DiNinno reminded the board that if the administrator position was put back in the budget it would likely result in several teacher furloughs.

Mrs. Ashbaugh expressed her desire to raise taxes to the full index and replace the administrator.

Mrs. Hurt-Robinson and Mr. Tillman agreed and expressed their desire to raise taxes to the full index and replace the administrator. Mr. Tillman indicated that the administrator position was more strategic and should be board driven.

Mr. DiClaudio, Dr. McClure, Dr. Loeffler, Mrs. Aughenbaugh, and Mr. DiPietro expressed their desires to potentially increase taxes to no more than half of the index and NOT replace the administrator.

The board then agreed to not replace the administrative position. They also asked the business manager to prepare the budget using a tax increase to full index and with curtailment of programs, or teacher positions, with the intention of removing items from the budget so that a full tax increase would not be utilized.

Solicitor, Falco Muscante clarified specific motions to create a tax to index budget and curtailment of programs. He explained that this process would give the board more time to determine how much taxation was needed and which programs would need curtailed. Dr. DiNinno explained that the teacher contract requires notice of any potential furloughs to be provided by May 1<sup>st</sup> of each year.

Ms. Good was asked about the transportation contract bids. She shared that a mandatory meeting for the transportation contract will be held in April and bid opening in May.

Some discussion around the retirement incentive continued. Ms. Good and Dr. DiNinno explained that a retirement incentive could have an impact on programs being curtailed or not curtailed.

Dr. DiNinno reminded everyone that she was still optimistic about the future of the school district. She reiterated that we have many caring people who are taking the time to assess our situation and make sure things are in place now and in the future for our kids. Because we are talking about this and

everyone cares enough to analyze this, assess this, and try to do something about this, she explained that she was pleased and confident about the future.

Dr. DiNinno shared and reviewed the following items for board approval on next week's Regular Voting Meeting agenda.

**General:**

- JSHS Handbook and Student Code of Conduct
- Conference – Implementers Forum – SWPBIS Banner; May 14 & 15 – Ketler, Plance, Zolkowski

**Personnel**

- Substitutes
- Bus Drivers

**Agreements/Contracts:**

- CEP – Community Eligibility Program
- Metz
- Letter of Agreement AIU for OT and PT services
- Adelphoi (Alternative Education)

**Possible Awarding of Bids (Construction Project)**

**Board Policies/Governance:**

- Second Reading: Tobacco/Nicotine – students (222); Tobacco/Nicotine – staff (323); Hazing (247); Public Attendance at School Events/Tobacco (904)

Mr. Hewitt shared that a motion will be on the agenda next week seeking the board's approval to donate old Pole Vault mats.

**Committee Updates**

**Finance –**

Mr. DiPietro indicated that there was nothing else to report.

**Education –**

Mrs. Ashbaugh shared that the Cyber Safety Program offered by the district was great and it was unfortunate that more people did not attend. She also shared that the Model UN Rome trip students had a wonderful trip and earned many awards. April 9<sup>th</sup> is Grade 7 orientation. April 15<sup>th</sup> begins PSSA testing. Spring Break is coming up. The next official Education Committee meeting is August 19<sup>th</sup>. Dr. DiNinno invited everyone to the Verner Elementary Art Show this Thursday at 6.

**Student Life**

Mr. DiClaudio shared that spring sports have started and the musical sold 99% of all tickets this year for SHREK. 2,300 people attended the show. It was a job well done and we are waiting to hear more about the Gene Kelly Awards.

**Eastern Area**

Mrs. Aughenbaugh shared that she had no report. Meeting did not have a quorum.

**Forbes/Legislature:**

Dr. Loeffler shared that the teacher contract at Forbes was finalized. She has been in touch with Mr. Dermody.

The Study Session ended at 9:29.

An Executive Session was held to discuss personnel matters from 9:35 until 10:10.